



BUSINESS ETHICS POLICY

POLICY STATEMENT

This policy sets out STV's charter for ethical business conduct. It is supported by a range of internal policies, which are either incorporated into employee contracts of employment, or are published in the *Policies* section of Connect, the STV intranet. In addition, STV's competencies, which are used in the review of employee performance, define the required standards of ethical behaviour.

STV believes that implementation of the ethics policy:

- promotes a culture of ethical behaviour throughout the organisation
- sets clear standards for employees
- makes good business sense
- protects the integrity and enhances our reputation
- supports the principles of good corporate governance.

SCOPE

The Board is responsible for ethical standards and principles, which apply to all directors and staff.

EFFECTIVE DATE

This policy was adopted by the Board on 23 August 2011.

LINKED POLICIES

Expenses policy
Anti-Harassment and Bullying Policy
Equality & Diversity and Inclusion Policy
Health and Safety

PRINCIPLES

Employees

As a talent based business, STV's employees are a key resource of the business. Involvement and responsibility both individually and as a team is of central importance as is collaborative working, open communication, creativity and the belief that everyone can make a difference. The personal development and optimum use of employee talent is strongly encouraged.

STV ensures that its strategy and objectives are communicated to all its employees and that they are kept informed as to the Company's progress in these areas.

Every employee has an equal opportunity for personal recognition and career development, regardless of their background or belief. STV will ensure that employees are treated fairly with dignity and respect and no form of discrimination or harassment will be tolerated. Employees are expected to conduct themselves in a way which will not bring the Company

into disrepute and to use STV's resources and information only for legitimate Company business and not for personal benefit or gain.

Customers/Viewers & Competitors

STV will compete vigorously but honestly and will not damage the reputation of competitors either directly or by implication. The Company will comply with competition law and abide by the requirements of its regulators.

STV complies with the Data Protection Act and employees are expected to guard against careless or inadvertent disclosures of information which may damage the Company's business or that of its customers and suppliers.

Everyone must play their part in providing quality and efficiency to customers/viewers. STV believes that integrity in dealings with customers/viewers is a prerequisite for a successful and sustained business relationship. Personal contact together with helpful and responsive action are features of the service it aims to provide to develop long term relations with customers/viewers.

Suppliers

STV aims to develop relationships with its suppliers and subcontractors based on mutual trust and all dealings will be conducted in a professional manner at all times. The Company undertakes to pay suppliers according to agreed terms of trade.

The receipt of gifts or favours by employees can give rise to awkward situations and may be seen as an improper inducement to grant some concession in return to the donor. Accordingly, gifts or favours must not be solicited and gifts of money must never be accepted. Reasonable small tokens and hospitality may be accepted provided they (i) do not place the recipient under any obligation; (ii) are not capable of being misconstrued and (iii) can be reciprocated at the same level - in all cases, the employees manager must be made aware of these. The payment of bribes is prohibited although gratuities, which can be required when filming on location, are not defined as bribes.

Shareholders/Investors

STV is committed to maintaining the highest standards in our investors relations and to delivering shareholder value. By communicating with and listening to our existing and potential investors, the Company seeks to forge long-term relationships based on mutual understanding and trust. Accordingly, STV will (i) protect the interests of shareholders and treat all classes of investor fairly; (ii) provide timely and truthful financial information in accordance with statutory requirements; and (iii) communicate its business principles, policies and achievements.

Corporate Governance

STV is committed to protecting the interests of the organisation and its shareholders through compliance with the relevant laws and regulations, including those which are industry specific. It is the responsibility of all managers to ensure, by taking legal or other expert advice where appropriate, that they are aware of all local laws and regulations which may affect the area of the business in which they are engaged.

All accounting documentation must clearly identify the true nature of business transactions, assets and liabilities in conformity with relevant regulatory, accounting and legal requirements. No record or entry may be false, distorted, incomplete or suppressed.

All reporting must be accurate and complete and in compliance in all material respects with accounting policies and procedures. Employees must not materially misstate or knowingly misrepresent management information for personal gain or for any other reason.

STV, through its website and the published annual report and accounts and other statements, provides appropriate information to enable shareholders to assess the business performance and will comply with applicable laws and stock exchange regulations as to the disclosure of such information.

STV recognises that there are risks associated with carrying out any business activity and management is responsible for ensuring that policies and procedures are in place to manage those risks. Employees must ensure that they are aware of the risks associated with their activities and that they comply with policies and procedures in place to manage those risks.

Community

As a media company, STV is present in the communities and homes of the people it entertains and informs on a daily basis. Community engagement is of primary importance to STV and it actively supports local communities and educational institutions. The Company works hard to ensure it is part and parcel of the fabric of these communities and seeks to serve and support the community eg by regularly offering studio tours to schools, colleges, community groups and businesses.

STV also serves the local interests by providing employment opportunities and effective services and ensures that it takes into account the concerns of the wider Scottish community.

STV will not make corporate donations to any political party.

The Environment

STV endeavours to conduct its business with respect and consideration for the environment and strives to minimise its environmental impact through the recycling of waste material, vehicle emissions and energy consumption.

The Company ensures that it complies with the relevant legislation and regulatory requirements and takes advice on energy usage. It actively monitors its environmental practices and through the setting of objectives, seeks continuous improvement in environmental performance, reporting annually to shareholders.

Health & Safety

STV is committed to conducting its business in compliance with all workplace health and safety laws and regulations and strives to provide a safe working environment for its employees and others. It has a comprehensive Health & Safety policy which is regularly updated and ensures all employees are aware of their own responsibilities for health and safety.

The Company has a proactive approach to improve the management documentation systems to provide suitable and sufficient information, instruction, training and supervision.

Employee ill health and accidents are closely monitored and the Company's health and safety performance is reported annually to shareholders.

What is Bribery?

A bribe is considered to be a form of inducement or reward offered, promised or provided in order to gain a commercial, contractual, regulatory or personal advantage. It can also be defined as an attempt to manipulate someone's judgement by financial or similar means. Extortion or blackmail do not fall under the Act. They are criminal offences dealt with under different legislation.

Bribing another person

This means offering, promising or giving a bribe provided the person making the bribe intends the advantage to either induce the recipient to improperly perform a relevant function or activity or to reward that person for improperly performing a relevant function or activity.

Accepting a Bribe

This means requesting, accepting, agreeing to or receiving a bribe, whether a financial or other advantage, in exchange for an alteration of behaviour (to the benefit/interest of the giver), whether by the person accepting the bribe or by another person, that the recipient would otherwise not alter. STV takes bribery very seriously and is aware of its obligations under the Bribery Act 2010. Accordingly, for the avoidance of doubt, STV requires its employees:-

- not to offer or make any bribe, unauthorised payment (whether in cash or kind) or inducement of any kind;
- not to solicit business by offering any bribe, unauthorised payment (whether in cash or kind) or inducement to customers or potential customers;
- not to accept any kind of bribe or unusual payment or inducement that would not be authorised by STV in the ordinary course of business;
- to refuse any bribe or unorthodox payment and to do so in a manner that is not open to misunderstanding or giving rise to false expectation and to report any such offers;
- not to make "Facilitation Payments". These are payments made to secure or accelerate the performance of a routine action to which the payer has a legal entitlement. STV does not condone such payments being made unless required for medical or safety emergencies in jurisdictions where such payments are considered normal. Where this occurs, a record of any such payment should be kept.
- to maintain a record of all donations to charities; and
- to report any breaches of this policy to the Company Secretary or HR Director.

Gifts and Hospitality

Gifts and hospitality should not be accepted or offered if they are likely to compromise you or the Company's impartiality or integrity, or if this gives the impression of doing so. The Company maintains a Hospitality & Gift Register and must be advised of any gift/hospitality received which is in excess of £250 with a note of the following details:-

- Gift/hospitality received
- The date it was received

- Who it was from (name and company)
- The estimated value
- The circumstances eg: business contact/thank you/networking

Bribery is a criminal offence which can lead to criminal penalties. But in addition, employees have a duty to STV and breaches of this policy will result in prompt disciplinary action, up to and including dismissal.

Information

STV regards information for the purpose of its business as a corporate asset which must be protected against loss of availability, infringement and improper disclosure and will seek to ensure that, as far as reasonably practicable, this information is protected.

Records

Honesty, completeness and accuracy of records are vital. Records of transactions should be maintained in an accurate, complete, transparent and timely manner in accordance with accounting principles. No unrecorded funds or assets should be established or maintained.

POLICY COMPLIANCE

Breaches of this policy and its principles will be dealt with under the Company's disciplinary procedure. Significant or consistent breaches will be deemed as gross misconduct and may result in summary dismissal.

CONTACTS

STV Group plc

Suzanne Burns	HR Director	0141 300 3671
Paula Gray	HR Manager	0141 300 3239